

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 05405 231701Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 /036 W
-----105312 231718Z /47

P R 231647Z MAR 78

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 7038

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY ROME

AMEMBASSY BERN

AMEMBASSY OSLO

AMEMBASSY COPENHAGEN

LIMITED OFFICIAL USE BONN 05405

E.O. 11652: N/A

TAGS: EAIR, GW

SUBJECT: CIVAIR: MEETING ON CHARTERS AND BILATERAL
ISSUES

1. DEPASSTSEC ATWOOD AND EMBOFF MET WITH REHM, PAAS
AND NEISTER FOR INFORMAL DISCUSSION OF VARIOUS ISSUES.
2. ON CHARTERS, U.S. TEAM EXPRESSED UNHAPPINESS WITH
FMT CHARTER RULES AND REGULATION OF MINIMUM PRICES,
INDICATING CONCERN THAT LOW SCHEDULE FARES AND SEVERE
CHARTER RULES COULD DRIVE CHARTER CARRIERS FROM
MARKET. FMT OFFICIALS RESPONDED BY STATING (A) LAST
SEASON CHARTER SERVICES INCREASED SUBSTANTIALLY WHILE
SCHEDULE SERVICE WAS FLAT; (B) CHARTER RULES EX-US ARE
NO MORE RESTRICTIVE THAN LAST YEAR, AND IN SOME MINOR
RESPECTS ARE MORE LIBERAL (MINIMUM STAY REQUIREMENTS);
(C) CONDITIONS FOR PROPOSED LUFTHANSA HOLIDAY FARE ARE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 05405 231701Z

AT LEAST AS RESTRICTIVE AS CHARTER RULES; AND (D) FMT
HAS NOT IN PRACTICE IMPOSED MINIMUM RATE REGULATION ON
CHARTER FLIGHTS. ON LAST POINT, FMT DOES NOT REGULATE
WHOLESALE CHARTER PRICE EX-US, AND RETAIL PRICES EX-US
ARE REGULATED ONLY BY A "RECOMMENDED" RATE THAT IS 25
TO 33 PERCENT BELOW HOLIDAY FARE. WHERE A RETAIL RATE
IS BELOW RECOMMENDED LEVEL, CARRIER MUST PETITION TO

FMT FOR AUTHORIZATION. NO PETITIONS HAVE BEEN RECEIVED, BECAUSE THUS FAR ALL ADVERTISED PRICES HAVE BEEN AT OR ABOVE THE RECOMMENDED LEVEL.

3. U.S. TEAM REPLIED THAT CHARTER RULES WERE NONETHE- LESS SEVERE, PARTICULARLY COMPARED WITH THOSE AVAIL- ABLE IN BELGIUM, NETHERLANDS, AND UK. ON PRICES, WE URGED FMT TO GIVE SYMPATHETIC CONSIDERATION TO ANY PETITIONS TO CHARGE BELOW RECOMMENDED RATE. GENERAL DISCUSSION OF RELATIONSHIP OF SCHEDULE AND CHARTER SERVICES WAS HELD.

4. ON FARES, THERE WAS A GENERAL BUT INCONCLUSIVE DISCUSSION OF GOVERNMENT PHILOSOPHIES AND PARTICULARLY OF USG VIEW IN FAVOR OF INDIVIDUAL CARRIER INITIATIVES. REHM STATED HE WOULD PROVIDE LETTER TO ATWOOD STATING FMT VIEWS ON LUFTHANSA AND PAN AM FILINGS, AND ASKED THAT IT BE TRANSMITTED TO USCAB. ATWOOD REPLIED THAT DEPARTMENT WOULD TRANSMIT VIEWS BUT COULD NOT ENDORSE THEM.

5. U.S. TEAM PROTESTED PROPOSED LIMITATIONS ON PAN AM OPERATIONS FROM GERMANY EAST, PARTICULARLY WHEN DONE WITHOUT PRIOR CONSULTATIONS. PAAS RESPONDED BY ARGU- MENT THAT US-WG BILATERAL HAD BECOME SEVERELY IMBALANCED IN PRACTICE, CITING PROPOSED SERVICES BY NATIONAL AND LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BONN 05405 231701Z

EXTENSIVE FIFTH-FREEDOM OPERATIONS BY PAN AM. U.S. TEAM RESPONDED THAT U.S. WAS PREPARED TO DISCUSS GERMAN COMPLAINTS, BUT THAT IN THE MEANTIME UNILATERAL ACTION BY FMT WAS INAPPROPRIATE. PAAS THEN INDICATED HE WOULD CONSIDER DEFERRAL OF ACTIONS AGAINST PAN AM, OR ALTERNATIVELY THAT PROPOSED NEW OPERATIONS MIGHT BE STOPPED BUT NO ACTION TAKEN AGAINST EXISTING FREQUENCIES AS PREVIOUSLY THREATENED (FRANKFURT-TEHRAN AND FRANKFURT-HONG KONG). U.S. REITERATED VIEW THAT ANY CAPACITY ISSUES SHOULD BE RAISED ONLY EX POST FACTO AND BY REQUESTING CONSULTATIONS.

6. U.S. TEAM BRIEFLY RAISED QUESTION OF HEARING ON NATIONAL AND TWA APPLICATIONS (URGING PROMPT ACTION) AND DISCUSSED STATUS OF PAN AM'S IGS CLAIM. STOESEL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REGULATIONS, MEETINGS, SUPPLEMENTAL AIRLINES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN05405
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780128-0676
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780334/aaaabcgq.tel
Line Count: 110
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e7401fbf-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3230554
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: MEETING ON CHARTERS AND BILATERAL ISSUES
TAGS: EAIR, GE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e7401fbf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014